THE ECONOMIC IMPACT OF IMMIGRANT-RELATED LOCAL ORDINANCES

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Foreword

Failure by the U.S. Congress to pass comprehensive immigration reform has created a vacuum in immigration policy that is increasingly being filled by state and local legislatures seeking to enact their own immigration laws. Some bills, like Arizona's SB 1070, Georgia's HB 87 or Alabama's HB 56, are aimed at limiting undocumented immigrants' access to jobs and public services, but in some cases they have fueled discrimination toward immigrants and Latinos overall. Other legislation such as "sanctuary city" ordinances strives to create a welcoming environment for residents, regardless of migratory status, or to attract new immigrant populations or maintain existing ones.

All of these bills reflect anxieties in many parts of the country. While the focus might be different, these policies share a concern about the effects of immigration in distinct communities and the need for better policies to manage migration flows.

At this time of growing local-level, immigration-related legislation and ordinances, Americas Society, with support from the Rockefeller Brothers Fund, seeks to contribute to the discussion by determining and analyzing the economic effects of such policies. In a context of high unemployment and lackluster business growth, we believe it essential to provide a better understanding of how policies that seek to restrict immigration and those that support more flexible approaches affect, if at all, the overall business environment. These policies are generally aimed at the undocumented population but can result in unintended consequences for the overall immigrant population and for other groups as well. In difficult economic times, we should be mindful of policies that may restrict business growth or job creation.

Recognizing that the immigration debate in the United States is impassioned and often divisive, Americas Society's Hispanic Integration and Immigration Initiative promotes dialogue among the private and public sectors and community groups and raises awareness of the socioeconomic situation of immigrants and Latinos overall in cities across the United States. Americas Society, in collaboration with its affiliate organization, Council of the Americas (COA), has worked since 2007 to facilitate immigrant integration and increase the economic development in new immigrant destinations.

Building on its work in cities across the country, Americas Society commissioned research—the results of which are published in this white paper—to study the effects of restrictive versus non-restrictive immigration-related local ordinances on cities' economies. Our objective is to move the public discussion around immigration away from party lines and emotions, and center it instead on the economic implications of various policies. Greater understanding of the economic impacts of immigration policy and the immigrant community as a whole can help Americans develop better-informed perspectives on the immigration debate.

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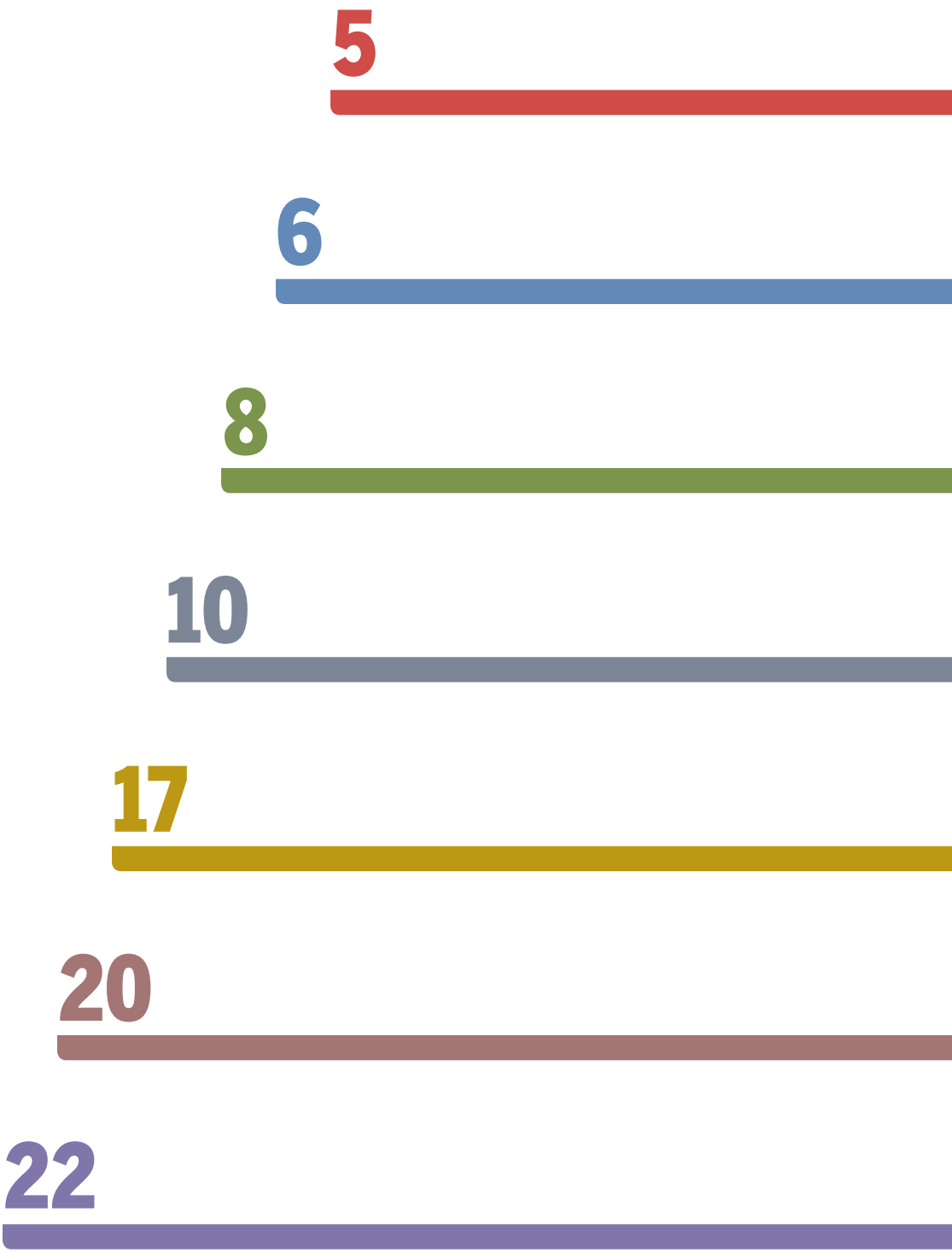
Susan Segal, *AS/COA president and CEO, has led the organizations into the present-day immigration discussions, and* **Christopher Sabatini**, *AS/COA senior director of policy, has helped to conceptualize various aspects of our immigration and integration work.*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Executive Summary

Since 2005, in a climate of increasing concern and urgency about the nation's current and future migratory flows, cities and states around the country have been spurred to take action and pass ordinances or laws that respond to local immigration dynamics.

The majority of legislative action—and the policies receiving the bulk of public attention—focuses on restrictive policies, which, at the city level, generally include four types of ordinances: business verification of the immigration status of employees; requirements that landlords verify the immigration status of tenants; 287(g) agreements that give local officials immigration enforcement powers; and English-only. At the state level, restrictive policies extend to cover health care, education, transportation, and other areas under shared state jurisdiction.

Still, although fewer in number, other cities and states have opted for non-restrictive policies toward the undocumented immigrant population. These localities, referred to as sanctuary cities, provide access to public services and bar local law enforcement and city employees from investigating the legal status of residents.

Although restrictive and non-restrictive polices are aimed at the undocumented immigrant population, the political and economic climate that they both respond to and create affects the overall immigrant population, as well as U.S.-born Latinos.[1] That is one reason it is imperative to better understand the economic effects of these polices.

Furthermore, at a time of high unemployment and economic uncertainty, immigration-related policies should also be understood in the context of how they affect the local business environment, which is defined here (based on available data) as the number of businesses and employees in a given locality.

This white paper seeks to contribute to discussions on local immigration-related policies by comparing the average effects of restrictive versus non-restrictive ordinances on a city's business environment and then isolating the individual implications of each of the four types of restrictive ordinances. To accurately measure the passage and post-passage effects over time, the focus is on cities that passed ordinances in the 2006–2008 period, which were still being enforced through 2009. State policies—especially those receiving recent national attention—are not considered due to the period of the study and the challenges in comparing the macrolevel business environment across states. But city-level results can provide lessons learned for state officials.

Findings indicate that, on average, the impact of restrictive ordinances on the business environment (as measured in this white paper) is mixed: they have a negative impact on the number of employees but not on the number of businesses in a given city. This could be a result of such ordinances driving out members of the labor force. Among the four types of restrictive ordinances examined, employment-related measures have the greatest effect on the decrease in the number of employees in restrictive cities.

But the results should not be looked at solely through the prism of a reduction in the number of employees.

Instead, the larger macroeconomic effects of lost jobs must be considered as well: the likely contraction in consumption and possible business closures.

Further, the period of analysis does not allow for an examination of the fallout from the financial crisis and the pressures that employment-restrictive ordinances may place on the workforce in that environment. But even with these limitations, this white paper points to a series of long-term concerns. This bears implications for policymakers across the country.

Introduction

Immigration defines United States history, but it is one of the most polarizing issues in the public policy debate. However, all sides do agree on one point: U.S. immigration policy and our current immigration system are not effective. At a time of high unemployment and national concerns about job creation, understanding the relationship of immigration to economic growth is essential. A central question is what types of immigration policies are more likely to support economic growth. This paper examines the importance of immigration policy to the health of the U.S. economy.

The power to reform immigration policies has long been within the scope of the federal government. Until recently, a landmark Supreme Court decision in 1976 stating that "the power to regulate immigration is unquestionably exclusively a federal power" was seen as relatively uncontroversial.[2] But two developments have spurred recent state and local action on immigration: unprecedented levels of undocumented immigration (11 million are estimated to be living in the U.S. today) and the settlement of immigrants—particularly from Latin America—in new destinations that, until recently, had not experienced high levels of migration. Although state and local action targets undocumented immigrants, the influx of authorized immigrants to new gateway cities has also raised concern in some communities about how to respond to the changing social makeup. Despite these demographic and policy shifts, Congress remains unable or unwilling to pass legislation that responds to the changing characteristics of migration flows.

The relationship of immigration and economic growth is essential at a time of high unemployment.

The federal government's inaction is deeply dissatisfying to immigration restrictionists and non-restrictionists alike. The restrictionists wish to see the flow of immigrants, and particularly undocumented immigrants, halted or limited through stricter implementation of existing laws and better enforcement. Non-restrictionists generally favor policies that maintain or increase immigration flows through appropriate legal channels, promote greater integration of immigrants in their new communities, and provide a path to legalization for the undocumented.

Faced with federal inaction and the challenges of a growing immigrant population—particularly in localities with limited infrastructure to support the integration of new immigrants—an increasing number of cities and other local governments began pursuing their own policies to regulate immigration and address the presence of undocumented immigrants. In total, between 2005 and 2010, more than 6,000 immigration-related bills were introduced in the 50 state legislatures and more than 1,000 of those bills were enacted.[3] Even where these bills were not passed, they have succeeded in creating a climate where immigrants and Latinos in general do not feel welcome. In certain cases, some have even chosen to relocate.[4] Despite challenges in court, these bills have paved the way for other localities to follow similar paths.

For example, the Illegal Immigration Reform and Immigrant Responsibility Act, enacted in September 1996, included a provision that allows local law enforcement authorities to gain delegated authority for immigration enforcement within their jurisdictions. However, before 2002,

no city or state had signed memorandums of agreement with U.S. Immigration and Customs Enforcement (ICE) to implement this program, known as 287(g). Today, there are 69 such 287(g) agreements with law enforcement agencies in 24 states.[5]

These new local policies have attracted the attention of local and national media. Both immigrants and native populations are being affected with reported increases in discrimination based on ethnicity and immigration status and a growing number of hate crimes against Latinos.[6]

The dissatisfaction across the ideological spectrum is reflected in the diversity of local immigration-related ordinances. Beginning in the mid-2000s, cities started to implement a wide variety of ordinances that can be categorized as either restrictive or non-restrictive. Restrictive policies aim to dissuade undocumented immigrants from settling in or moving to a locality, as a means of keeping jobs and services in the hands of citizens and legal residents. For example, a notoriously restrictive ordinance—the Immigration Relief Act of 2006 passed in Hazleton PA—allowed the city to revoke the licenses of businesses that hire undocumented workers and revoke rental licenses from landlords who rented to persons without valid documentation. The ordinance was immediately challenged on constitutional grounds and remains suspended.[7]

On the other hand, non-restrictive ordinances often embrace sanctuary city policies that bar local law enforcement and city employees from investigating the legal status of residents. Cities like Chapel Hill NC, have worked to incorporate growing immigrant populations into their communities by facilitating access to certain public services. New York City—although not included in this analysis because the city enacted its non-restrictive ordinances (as measured in this white paper) prior to the 2006–2008 period—is another example of a city working to facilitate immigrant integration and to maximize the potential benefits. A number of immigration-related laws and executive orders have been enacted over the years: a prohibition for New York City officials to turn the names of local undocumented immigrants over to federal immigration officials (1998); a guarantee that all residents—regardless of legal status—have access to local social services (2003); and improvements to city services for non-English-speaking residents (2008).

Given the proliferation of local immigration laws enacted in recent years, sufficient data now exist to draw preliminary inferences about the economic consequences of different immigration policies. While immigration is assuredly not a primary cause or solution to the economic downturn in the United States, immigration ordinances can influence local employment levels and economic growth.

Recognizing that future debate on comprehensive immigration reform will certainly be influenced by discussions of policies already enacted across the country, this report intends to contribute to the debate by presenting some of the economic impacts of restrictive versus non-restrictive immigrant-related ordinances. Economic impact can be measured by a number of variables, but in order to present consistent data that is available for each city included in this study, the economic outcomes this paper looks at are limited to the number of businesses and employees at the local level at passage of an immigrant-related ordinance and in 2009. Here, a comparison is made between the economic impacts observed in restrictive versus non-restrictive cities. The analysis shows that, on average, restrictive immigrant-related ordinances—those focused on employment, housing, 287(g), or English-only—have a negative impact on local economies in comparison to non-restrictive ordinances that implicitly or explicitly allow for access to public services and mandate law enforcement policies based on a "don't ask don't tell" policy (except for criminal cases). This impact is largely evidenced by the decrease in the number of employees citywide, and the corresponding number of jobs lost. But this overall conclusion is more nuanced when looking at the economic outcomes of individual types of ordinances.

Immigration ordinances can influence local employment levels and economic growth.

Restrictive vs. Non-Restrictive Ordinances: Competing Arguments

There is small but growing scholarship examining local and state government policies toward immigrants.[8] The literature suggests a wide combination of factors that shape political responses and policies toward immigrants, such as demographic, political and ideological variables. In addition, the rise in legislative activism at the city level could be partly explained as a response to overburdened local governments, well-publicized and extremely polarized federal failures on immigration enforcement, and a sharp rise in anti-immigrant rhetoric in the media. This creates a perfect storm for the enactment of local ordinances.[9]

Budgetary and fiscal concerns are cited as reasons to support either restrictive or non-restrictive immigrant-related ordinances.

Although municipalities have adopted a variety of ordinances to overcome challenges associated with large-scale immigration, it is problematic to claim definitively whether restrictive or non-restrictive ordinances are *better* than the other. The utility of an ordinance is largely determined by its intended goal. If city leaders wish to reduce the local population of immigrants (especially those unauthorized), discourage future settlement or create a more inward-focused economy, then a restrictive ordinance that targets these goals can likely help to yield such results. But if a city or state is seeking to expand employment opportunities for all, maintain the economy's competitiveness—relative to other U.S. cities and globally—and provide the basis for economic growth, then non-restrictionist policies will likely be the more effective approach.

Budgetary and fiscal concerns are also cited as reasons to support either restrictive or non-restrictive immigrant-related ordinances.

Legal questions about the constitutionality of such acts are entangled in this debate. This issue also raises questions regarding national identity, the value of racial, ethnic and linguistic diversity, and concerns about potential discrimination. These questions, while important, are beyond the scope of this research. Instead, the focus here is exclusively on economic issues. All communities are presumably in agreement: it is better to acheive more economic growth and more job creation for everyone. That is why economic outcomes are the critical variables to look at in cities that have embraced different approaches to undocumented immigration.

There are several competing theories regarding the local economic impact of immigrants. On one hand, it is argued that undocumented immigrants have deleterious effects on the labor market, driving down wages and increasing unemployment,[10]

particularly among native-born minorities and groups with high poverty rates.[11] George Borjas finds that the 1980–2000 influx of immigrants reduced the wages of lower-educated, native male workers by 3.6 percent in the long run.[12] From this perspective, it makes economic sense for local governments to restrict undocumented immigration, especially during a period of economic stress and high unemployment.

In contrast, those in favor of non-restrictive immigration policies frequently contend that undocumented immigrants perform work that native-born Americans will not do, even if wages were substantially higher. Thus, restrictions that target the undocumented population—with the corresponding indirect effects on authorized immigrants—may result in labor shortages and higher prices, but not higher wages or higher employment. From this standpoint, immigration restrictions represent an economic inefficiency, since the most suitable workers are denied access to jobs. This inefficiency should presumably have a detrimental effect on the economy, resulting in lower levels of growth and stifling an already shaky economic recovery. In Georgia, the Fruit and Vegetable Growers' Association estimated in June 2011 that HB 87 (a restrictive law) is likely to drive away workers and could result in a $300 million loss for the industry.[13]

To put it simply, the debate is focused around two central issues. The first relates to the number of immigrants residing in a city. The second is concerned with the impact on public expenditures and revenues and the local economy in general. The results, especially those related to immigrants' fiscal and economic contributions, are mixed and colored by methodological, legal and conceptual issues that go beyond the scope of this report.[14]

Others have previously considered the economic effects of restrictive ordinances. In a 2010 *Cardozo Law Review* article,[15] Huyen Pham and Van H. Pham examined the economic impact of restrictive county-level immigration ordinances on high-immigrant industries, finding that such ordinances led to a 1 to 2 percent decrease in local employment rates.

All communities are presumably in agreement: it is better to acheive more economic growth and more job creation.

For academic consistency, this analysis uses a similar data set but looks across all industries and includes only cities—a lower level of geographic aggregation where the effects of these policies will be felt more readily—that implemented non-restrictive ordinances between 2006 and 2008. In doing so, this white paper provides a comparative analysis of the economic effects.

Data Analysis

This analysis is based on data from 53 cities that enacted immigrant-related ordinances between January 2006 and December 2008.[16] The study used a consistent, reliable source for gathering and measuring local economic data as it relates to job creation and business growth. Additional sources of data for measuring economic impact—namely city revenue and new home permits, among others—were considered, but data were not readily available across all communities.

Of the cities analyzed, 13 are classified as non-restrictive sanctuary cities that passed official ordinances preventing local police and city employees from inquiring about the immigration status of local residents, unless required to do so under state or federal laws or court decisions.[17] Restrictive ordinances, enforced by 40 cities included in this report, varied in scope and significance, and not all targeted undocumented immigrants specifically. While some cities enacted more punitive policies, others pursued less comprehensive strategies, such as the adoption of English-only ordinances, which promote English as the only official language. Other cities officially established policies restricting undocumented immigrants from accessing local social services.

A large number of local ordinances regarding immigration, particularly restrictive ordinances, have been suspended by court rulings. Cities that passed restrictionist ordinances intended to curtail renting to undocumented immigrants, such as in Farmers Branch, Texas, and in Riverside, New Jersey, immediately encountered legal challenges. Faced with legal obstacles regarding permissible ordinances, cities have experimented with other methods of discouraging the settlement of immigrants in their communities. At present, 287(g) agreements and the mandatory use of the Employment Eligibility Verification Program, or E-Verify—a nationwide system to verify the legal status of hired employees—for county and city contractors are two of the more common types of restrictionist measures implemented by local governments.

Methodology

The objective of the data analysis is to study the impact of immigrant-related ordinances—both restrictive and non-restrictive—on the business environment (defined as the number of both businesses and of full-time employees) in cities that passed and implemented such ordinances in the 2006–2008 period. It is at the city level—rather than at the state or national level—where the policy implications of such ordinances are going to be felt most acutely. The 2006–2008 time frame was selected to allow for an analysis of a city's business environment across a period of years and across cities. For that reason, the study looks at the number of businesses and employees and how these might be affected by the passage of an immigrant-related ordinance. There, we compare the resulting economic outcomes in 2009 in cities that passed restrictive versus non-restrictive legislation.

Our study found that the impact of restrictive laws on business was mixed. After controlling for city-level variables (population, household growth, median home values, median household income, cities' household income ranking, income per capita, a year indicator and the number of employees or businesses, for each model, respectively), the results indicate that restrictive ordinances negatively affect the number of jobs in a particular city but do not significantly affect the aggregate number of businesses.[18] This impact seems to be driven by certain types of ordinances, especially those related to employment.

This report—providing continuity

from the Pham and Pham (2010) study—is limited to analyzing the four most commonly passed restrictive local policies: employment-related ordinances requiring proof of legal status to gain employment; English-only ordinances; housing ordinances that limit the maximum occupancy for an apartment or single-family home or that require landlords to record personal tenant information to be available to public authorities; and law enforcement ordinances authorizing local police to enforce federal immigration laws under a memorandum of agreement between local law enforcement agencies and ICE. However, unlike the Pham and Pham study, non-restrictive ordinances are included in this data set to look at the comparative effect of such policies. (See figure 1 for the numerical breakdown of those analyzed.) Other ordinances such as those related to health, education and other public benefits and services are not considered here since cities do not have full control over such benefits.

Employment ordinances

This is perhaps the most heterogeneous category of immigration-related law, as well as the type of ordinance most commonly enacted from 2006 to 2008. Ordinances in this category are intended to discourage local employers from hiring undocumented workers. Some ordinances require that only employers who receive city contracts verify the legality of their employees, whereas others require that all employers within city limits hire only legal workers. These ordinances also vary in terms of enforcement, as some mandate that employers actually demonstrate that their workers are legal and others just make employers sign an affidavit promising not to hire undocumented workers. In recent years, municipalities have increasingly made it mandatory for local employers to use E-Verify—an online service that allows businesses to determine the legal status of their workers.

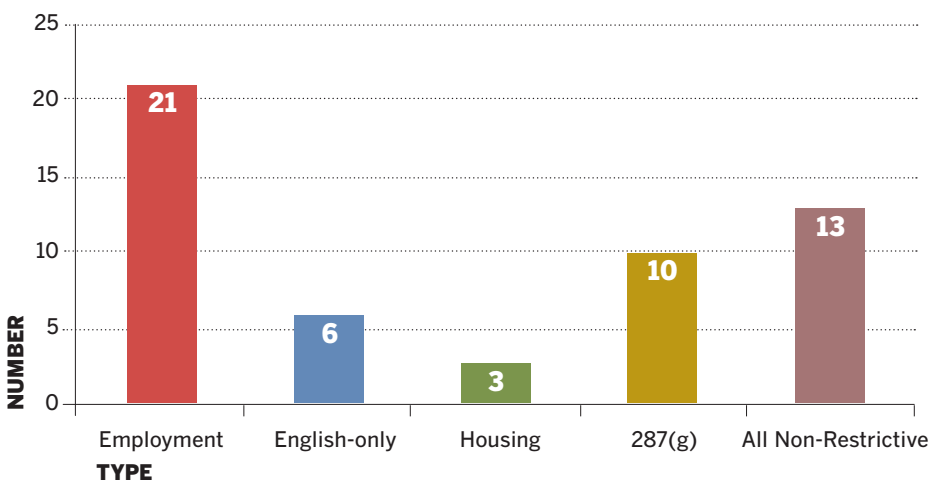
English-only ordinances

While not related to immigration per se, these ordinances may affect residents regardless of their migratory situation, and make their lives more difficult. These laws serve as a symbol of resistance to the cultural and linguistic changes associated with immigration. Ordinances within this category either declare English as the locality's official language or mandate that city services be provided exclusively in English. While such ordinances may be enacted with undocumented immigrants in mind, citizens and other legal residents who may not speak English fluently also bear the brunt of such policies.

Housing ordinances

Ordinances in this category attempt to restrict undocumented immigrants from renting a house or apartment within a community. Such ordinances typically require landlords to collect and maintain immigration documentation for all tenants. Cities have also experimented with policies mandating that all tenants acquire rental licenses from the local gov-

FIGURE 1. Ordinances Analyzed, by Type (2006–2008)



ernment, which would require applicants to demonstrate their legal status.

287(g) memorandum of agreement

The 287(g) program allows local and state law enforcement to enter into a partnership with ICE under a memorandum of agreement. Law enforcement entities that are part of the 287(g) program receive training from ICE officers, and subsequently possess the authority to identify, process and detain undocumented immigrants.

Non-Restrictive cities

More commonly known as sanctuary cities, non-restrictive localities pass an ordinance that typically bars local law enforcement and other government officials from inquiring about the immigration status of local residents or ban the use of local government resources in enforcing federal immigration law. A large number of U.S. cities are *de facto* sanctuary cities; however, this analysis only includes those municipalities that formally passed such an ordinance within the period of analysis.

Results indicate that restrictive ordinances negatively affect the number of jobs in a particular city.

Geographically, the diversity of cities in which immigrant-related ordinances were enacted during the period of analysis is remarkable. The sample included in this white paper encompasses cities in states with the highest and lowest Human Development Index (HDI)—a summary measure of well-being and opportunity ranging from 0 to 10—in terms of educational attainment, school enrollment, life expectancy at birth, and median earnings for the population 16 years of age and older.[19] For instance, the average HDI in states with cities that enacted non-restrictive ordinances is around 5.62; in contrast, the HDI for restrictive immigrant-related ordinances is around 4.83—about 1.2 times lower.[20] Connecticut has the highest HDI (6.3) in the sample, and Arkansas has the lowest (3.9). This means that cities in states with high and low well-being, as measured by the HDI, passed both restrictive and non-restrictive ordinances, indicating a weak relationship between a state's overall development and cities' actions—both welcoming or not—toward immigrants.

City Selection

In contrast to state-level immigration-related legislation, there is no city-specific database that provides a complete and authoritative state of affairs on the passage of local immigration ordinances. That is why our database was initially compiled with publicly available data from immigration-concerned organizations across the ideological spectrum: American Civil Liberties Union, Fair Immigration Reform Movement, Puerto Rican Legal Defense and Education Fund, the National Immigration Law Center, and U.S. Immigration and Customs Enforcement (ICE), among others. (For a complete list of sources, see www.as-coa.org/ordinance_data.) After combining this data, an additional search was conducted of cities that had enacted ordinances that were not revoked in the 2006–2008 period.[21] Information on each ordinance and its policy realm was then recorded and entered into our database.[22]

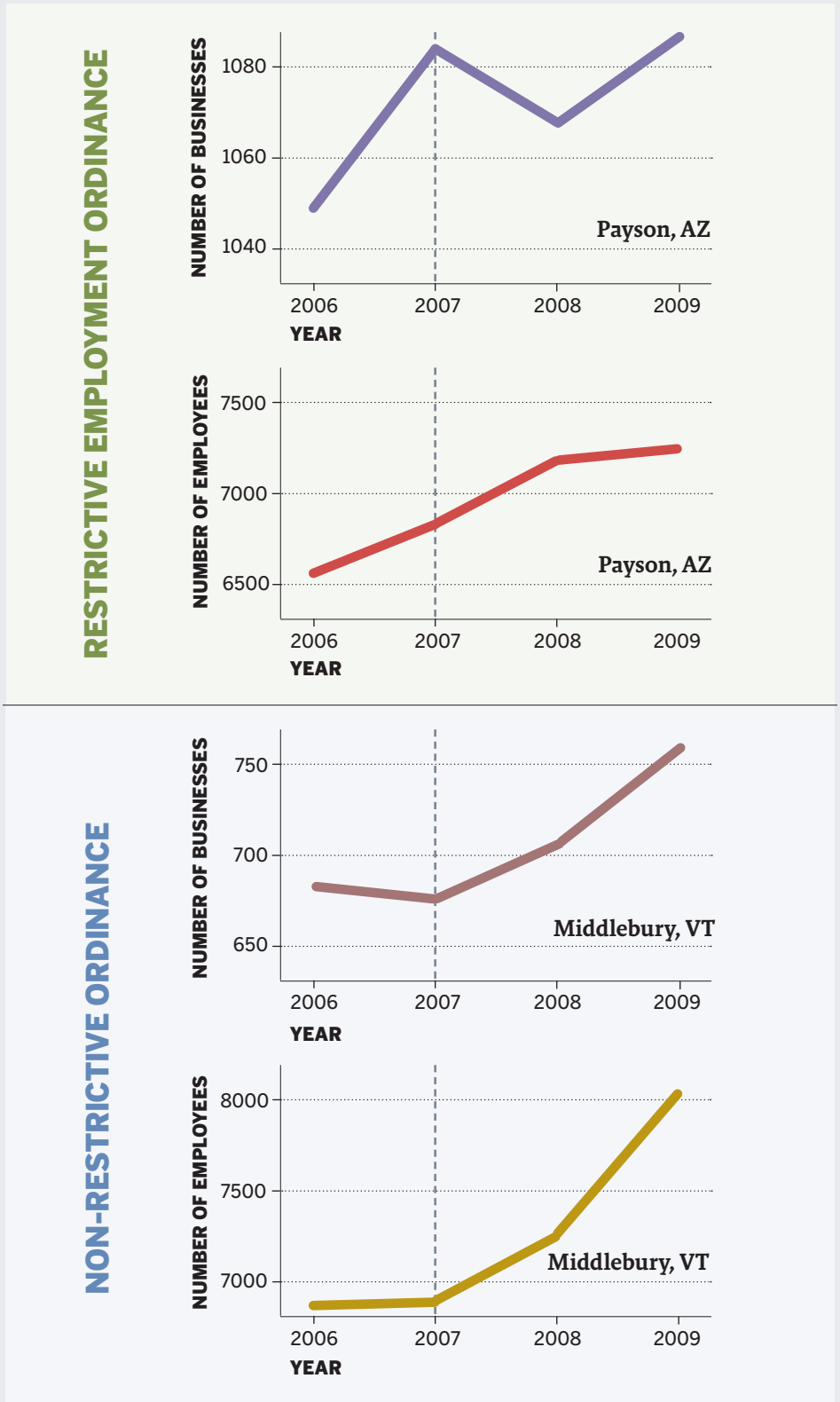
Table 1 shows that 13 cities enacted non-restrictive immigrant-related ordinances in nine states, while 40 cities passed restrictive immigrant-related ordinances in 18 different states. Together, cities that passed either restrictive or non-restrictive ordinances represent less than 1 percent of the more than 25,000 municipalities in the United States.

The economic data come from the Esri *Community Sourcebook America* 2006–2009 editions, which provide detailed demographic and business data for every U.S. zip code. The analysis uses data on the number of businesses and the number of employees as proxies measuring the economic/business environment in a particular city for a specific year. The total number of companies and employees was aggregated at the city level based on geographic identifiers and merged to Esri's demographic database. Still, limitations exist with Esri data as it does not account for some immigrants, especially those undocumented, who may be working for cash and therefore are not reported as employees for tax purposes. Nonetheless, a metadata study con-

TABLE 1. Immigrant-Related Ordinances, by City and Type (2006–2008)

CITY	STATE	ORDINANCE	YEAR PASSED	TYPE
Oakland	CA	Non-Restrictive	2007	Sanctuary
Santa Cruz	CA	Non-Restrictive	2007	Sanctuary
Watsonville	CA	Non-Restrictive	2007	Sanctuary
Hartford	CT	Non-Restrictive	2008	Sanctuary
New Haven	CT	Non-Restrictive	2007	Sanctuary
Chicago	IL	Non-Restrictive	2006	Sanctuary
Chelsea	MA	Non-Restrictive	2007	Sanctuary
Detroit	MI	Non-Restrictive	2007	Sanctuary
Carrboro	NC	Non-Restrictive	2006	Sanctuary
Chapel Hill	NC	Non-Restrictive	2007	Sanctuary
Newark	NJ	Non-Restrictive	2006	Sanctuary
Alexandria	VA	Non-Restrictive	2006	Sanctuary
Middlebury	VT	Non-Restrictive	2007	Sanctuary
Athens	AL	Restrictive	2007	Employment
Gadsden	AL	Restrictive	2006	English-only
Rogers	AR	Restrictive	2007	287(g)
Springdale	AR	Restrictive	2007	287(g)
Lake Havasu City	AZ	Restrictive	2007	Employment
Payson	AZ	Restrictive	2007	Employment
Phoenix	AZ	Restrictive	2008	287(g)
Apple Valley	CA	Restrictive	2006	Employment
Lancaster	CA	Restrictive	2007	Employment
Mission Viejo	CA	Restrictive	2007	Employment
Santa Clarita	CA	Restrictive	2006	Employment
Vista	CA	Restrictive	2007	Employment
Cape Coral	FL	Restrictive	2006	Employment
Barnstable Town	MA	Restrictive	2006	Housing
Taneytown	MD	Restrictive	2006	English-only
Hazel Park	MI	Restrictive	2006	English-only
Valley Park	MO	Restrictive	2007	Employment
Durham	NC	Restrictive	2008	287(g)
Landis	NC	Restrictive	2006	English-only
Southern Shores	NC	Restrictive	2008	English-only
Las Vegas	NV	Restrictive	2008	287(g)
Bellaire	OH	Restrictive	2007	Employment
Sycamore Township	OH	Restrictive	2007	Employment
Inola	OK	Restrictive	2006	Employment
Oologah	OK	Restrictive	2006	Employment
Tulsa	OK	Restrictive	2006	Employment
Altoona	PA	Restrictive	2006	Employment
Berwick	PA	Restrictive	2007	Housing
Bridgeport	PA	Restrictive	2006	Housing
Gilberton	PA	Restrictive	2006	Employment
Mahanoy City	PA	Restrictive	2006	Employment
Shenandoah	PA	Restrictive	2006	English-only
Beaufort	SC	Restrictive	2006	Employment
Gaston	SC	Restrictive	2006	Employment
Carrollton	TX	Restrictive	2008	287(g)
Farmers Branch	TX	Restrictive	2008	287(g)
Herndon	VA	Restrictive	2007	287(g)
Manassas	VA	Restrictive	2008	287(g)
Manassas Park	VA	Restrictive	2008	287(g)
Green Bay	WI	Restrictive	2007	Employment

FIGURE 2. Number of Businesses and Employees for Selected Cities (2006–2009)



ducted by the Congressional Budget Office published in 2007 shows that around 50 to 75 percent of undocumented migrants pay federal, state and local taxes, indicating that these numbers would be counted as employees in Esri's database.[23] Even with this limitation, Esri data is the best data source since the company uses the same sources and methodologies over time, thereby increasing data reliability.

The number of businesses and employees was selected for several reasons. First, sample city data for other indicators such as city revenues was either too difficult to obtain or incomplete. Second, cities vary widely in the types of taxes and revenues collected and how information is reported. For instance, some cities may report revenue originated from municipal bond offerings and others may report state transfers within the larger category of revenue. Third, given the size of select sample cities, some types of data may not be publicly available. Fourth, data related to other indicators such as new home permits may not be very reliable and consistent across time. This would have made it difficult to compare that data across cities. For these and a number of other factors, Esri's database provides a significant advantage in terms of its comparability across cities and time, which increases the reliability and validity of this report's findings.[24]

Figure 2 shows the distribution of the two dependent, or outcome, variables—number of businesses and number of employees—in two cities. Payson AZ, and Middlebury VT, were deliberately chosen for this illustrative example because of their comparability in terms of the number businesses and employees within the period of analysis. The solid line illustrates how the number of businesses (top graph for each city) and the number of employees (bottom graph) changed between 2006 and 2009. The dashed line shows the year in which the ordinance was passed. In this example, there is variation in the impact of restrictive and non-restrictive immigrant-related ordinances. For instance, after the passage of a restrictive employment ordinance, the number of businesses in Payson decreased by 16; in Middlebury, the number of businesses increased by 29 after the non-restrictive ordinance went into effect. In contrast, the number of employees both for Payson and for Middlebury increased by around 400 employees a year after ordinance passage. But in Payson, job creation remained stagnant after 2008, while this indicator continued increasing in Middlebury.

This example shows the potential for variation in the economic activity—as measured in this white paper—of each city during our period of analysis. This variability is not just exclusive to these two cities. For instance, in other cities such as Athens AL, Lancaster CA, and Valley Park MO, the number of businesses increased after the passage of restrictive employment ordinances. But in Athens, the number of employees decreased. In Vista CA, and Bellaire OH, which also passed such ordinances, the number of businesses decreased in both cities while the number of employees decreased only in Bellaire. These results illustrate the variation and distinct impacts that the implementation of restrictive versus non-restrictive immigration ordinances may have on the business environment. But it would be very difficult to discern a clear relationship without performing the statistical analysis in this white paper.

The analysis studies the impact on the business environment—defined as the number of businesses and full-time employees.

Given the differences that exist between cities in terms of size and geographic location, as well as the differences in terms of cities' exposure to external shocks during the period of analysis, it is necessary to include in the statistical analysis a wide number of factors to control for such disparities between cities. We included those available for all cities in the database: population, household growth, median home values, median household income, inter-city ranking, and per capita income.[25] Including these variables in the statistical model allows for the averaging out of some of the most important structural differences between cities, which are intimately related to each city's business environment.

This increases the ability to better

Any apparent relationship between immigration-related ordinances and a city's business environment is not spurious.

isolate the effects of implementing immigrant-related ordinances—whether restrictive or non-restrictive—on the business environment in a particular city. The inclusion of relevant independent variables provides further assurance that any apparent relationship between immigration-related ordinances and a city's business environment is not spurious.

To account for these differences and to investigate the impact of immigrant-related ordinances on cities' business environments, a series of log-linear multilevel regression models were developed to test the overall impact of restrictive versus non-restrictive immigrant-related ordinances and the specific impact of different types of ordinances on a city's business environment.[26]

In addition to controlling for some of the structural differences that exist between cities in terms of population and income, a year indicator was included to capture any temporal shocks that could impact the number of businesses or employees.

The model also incorporates a city-level effect, which picks up variation across cities not accounted for in the variables previously described. For example, cities may have been affected differently by the financial crisis and the housing meltdown, making the business environments more or less predisposed to see a creation or disappearance of businesses and jobs. Different states also may have their own economic development policies, which, in turn, will result in unique impacts on their cities' business environments.

The results of these statistical models allow for measuring the proportionate change in the expected number of businesses and/or employees as a comparison of cities with restrictive and non-restrictive ordinances while taking into account the differences that exist between them. In other words, the results should be interpreted as the expected change in the number of businesses or employees (depending on the model) due to the implementation of restrictive immigrant-related ordinances or to non-restrictive immigrant-related ordinances.

Results:
The Economic Effects

Overall, the results paint a mixed picture of the impact of restrictive immigrant-related ordinances on cities' business environments. (See Appendix for regression tables.) We found no effect on the number of businesses, but did discover an effect on the reduction in the number of employees.

After controlling for several structural differences between cities—including population, household growth, median house value, median household income, income per capita, income ranking between cities, and time effects—the impact of restrictive ordinances on the number of businesses does not seem to be significant. This means that no difference was observed between the number of businesses in cities that passed restrictive ordinances and those that passed non-restrictive ones.

Testing the impact of restrictive versus non-restrictive ordinances on the number of employees—the second measure of a city's business environment—provides a different result. Once again, after controlling for the same structural differences that exist between cities, restrictive ordinances appear to have a negative impact on the expected number of employees. An average city with a restrictive ordinance has 0.18 times fewer expected number of employees than its non-restrictive counterpart. This effect, even if it is not significant at a 95 percent confidence interval, is significant at 90 percent confidence. This means that a 10 percent probability exists that the results seen are due to chance rather than the statistical modeling. For example, if the expected number of workers in an average city that enacted a non-restrictive ordinance is 100, the model and data predict that the number of employees would be 0.18 times lower (82 employees total) in a city with a restrictive immigrant-related ordinance.

However, by classifying all ordinances into restrictive and non-restrictive groupings, the results may be missing an important variance between each type of ordinance and its impact on the business environment. That is why the next set of results looks at this potential relationship through regression analyses that examine the number of businesses and employees for each specific type of ordinance while again controlling for city-by-city structural differences as explained in the previous section.

Due to their particular policy domain, not all ordinances are going to have a uniform and systematic impact on a city's business environment. For instance, English-only ordinances will have the greatest impact on those who are not English speakers, limiting their ability to access certain city services. But these ordinances will not likely have as significant an impact on the business environment as ordinances affecting business activity within a city's jurisdiction. Housing and occupancy laws are likely to have a more targeted impact, especially for tenants and landlords. Imposing additional regulatory requirements on residents may generate additional costs to landlords and

The number of employees in a city with a restrictive immigration-related ordinance would be 0.18 times lower than in a non-restrictive one.

tenants who may or may not be able to cover any associated rent increases. The 287(g) program is unlikely to have a significant, measurable impact (although the indirect effects on society are not measured here) unless, as in the cases of Arizona and Alabama, additional restrictionist provisions are included.

To analyze how ordinances affect each of the economic outcome variables, a multilevel regression to the log number of businesses on the type of ordinance is conducted. (See table 3 in the Appendix). The impact of the different types of ordinances on the number of businesses after only controlling for year effects is significant; but after controlling for cities' structural differences the results suggest that specific ordinances do not have a significant effect on the number of businesses. This illustrates the importance of including these variables to average out some of the structural differences between cities.

When conducting a multilevel regression of the log number of employees on the type of ordinance—after controlling for population, household growth, median home values, income per capita, median household income, city income ranking and time effects—the results indicate that only employment-related ordinances had a negative and statistically significant impact on cities' business environments when comparing with cities that had non-restrictive ordinances, and that effect was only on the number of employees. On average, the expected number of employees in a city with a restrictive employment-related ordinance would be approximately 0.26 times lower than the number in a city that enacted a non-restrictive ordinance. For instance, if the number of employees in a city that enacted a non-restrictive ordinance was 10,000, the model predicts, on average, an observation of 2,600 fewer jobs in a city that enacted an employment-restrictive ordinance. (See table 4 in the Appendix).

When compared to cities with non-restrictive ordinances, employment-related ones had a negative and statistically significant impact on cities' business environments.

Understanding the Results

The preceding regression models show that restrictive ordinances have a negative impact on the number of employees in a city, but not on the number of businesses. This does not definitively demonstrate that restrictive immigration ordinances do not ultimately lead to business closure. Rather, the results may be a function of the lag between an ordinance's passage and its full economic impact. There are two means by which restrictionist ordinances could lead to businesses eventually closing their doors: the long-term reduction in business productivity and the decline in worker consumption in the local economy.

To make predictions regarding the economic impact of an immigration-related ordinance, it is important to account for the local economic context. Both the size of the local immigrant workforce and the types of industries operating within a community must be kept in mind, as some communities are more dependent on immigrant labor than others. Previous research suggests that industries in which immigrant labor is overrepresented are more likely to experience negative employment effects as a result of restrictive ordinances.[27] Increasing employment-related enforcement would likely increase the opportunity costs for immigrants (mainly those without documentation) to stay in a particular city, and their exodus would assuredly harm local businesses dependent on immigrant workers.

Any negative effects of immigration on the local wages will certainly be most evident at the lower rungs of the educational ladder. However, these effects will be relatively small when we consider that immigrant and native-born laborers tend to complement each other, rather than compete. That is, in communities with a large foreign-born population, immigrants tend to specialize in manual-labor occupations. We might infer that these immigrant laborers are squeezing less educated native-born workers out of the labor market entirely. However, research indicates that native-born workers respond to this potential challenge by specializing in industries in which they have a comparative advantage, namely,

those that require communication and language skills.[28] Jobs in these industries tend to provide higher wages than manual labor; thus, immigrant workers who work in lower-wage jobs can actually boost the incomes of many less-educated native workers and increase a community's aggregate productivity. Related research indicates that immigration only reduced the average real wages of less educated U.S.-born workers by 0.3 percent between 1990 and 2000; however, without task specialization this loss would have oscillated around 1.2 percent.[29]

While one might plausibly infer that select immigrant laborers are driving out native-born workers, if that were occurring we would expect native-born Americans to exit communities that draw large numbers of immigrants. That does not appear to be happening. A study examining the native response to immigrant population growth across cities found that cities experiencing rapid growth due to immigration did not show a corresponding decline in the native population.[30] In fact, many of the cities with the most rapidly-growing immigrant populations are also attracting large numbers of native-born Americans.

A plausible explanation of this pattern is that immigrant labor not only performs certain jobs that otherwise would be hard to fill but, more importantly, can create positive externalities for lower-educated native-born workers. By encouraging these U.S.-born workers to enter industries in which they clearly have a competitive advantage, immigrant labor supports more profitable, skilled and desirable jobs for native-born workers within communities.[31] The increased wages these jobs provide are good for both the workers and the local economy, as their increased wages result in a higher level of consumption.

The fact that the effect of restrictive ordinances may be felt more in industries that traditionally employ larger numbers of immigrants does not necessarily imply that other members of society will not feel any deleterious effects. For instance, would the use of E-Verify lead to wage increases in jobs that undocumented migrants are forced to vacate? Recent experiences in the state of Georgia suggest that wage increases for farm workers did not become an immediate reality; instead, a shortage of farm labor proved to be the only immediate economic impact of that state's restrictive legislation.[32]

Do ordinances—beyond those focusing on employment—have any impact on a city's business environment? The lack of statistical significance of the other types of ordinances—housing, English-only and 287(g)—on a city's business environment does not necessarily mean that these ordinances will not have any real impacts, both economic or non-economic, on a community as a whole. Such ordinances have political, social and even cultural effects and unintended consequences—such as profiling and targeting of other members of society—with the implications felt by the native-born and legally resident Latino populations. In September 2011, a federal judge's upholding of Alabama's HB 56 immigration law—which allows state and local police to ask for immigration papers during routine traffic stops, makes most contracts with undocumented immigrants unenforceable, and requires schools to verify pupils' immigration status at registration time—will likely have an important impact on those communities that relied on immigrant labor. In the short run at the very least, farmers, contractors and home builders will likely experience a shortage in the supply of labor, which could lead to job losses for the supervisors and managers as well.

By encouraging U.S.-born workers to enter industries where they have a competitive advantage, immigrant labor supports more profitable and desirable jobs for them.

Gauging the economic impact of immigration-related ordinances requires a dynamic approach that incorporates immediate expenses and long-term revenues and is an area for further study. Methodologically, approaches such as those provided by propensity score matching may be an alternative approach for future research. It will also be useful to revisit these findings in coming years, as the long-term impacts of immigration-related ordinances become more apparent.

Endnotes

1 Alexandra Délano and Jason Marczak, "Immigration and Integration: The Role of the Private Sector," *New Destinations & Hispanic Immigrants: Promoting Inclusive Policies*. Americas Society. New York: May 2011.

2 *De Canas v. Bica*, 1976, 354.

3 "2010 Immigration-Related Laws and Resolutions in the States," National Council of State Legislatures, July 10, 2010 <http://www.ncsl.org/default.aspx?tabid=23362> (accessed July 2011).

4 Kevin O'Neil, "Hazleton and Beyond: Why Communities Try to Restrict Immigration," *Migration Information Source*, November 2010 <http://www.migrationinformation.org/Feature/display.cfm?ID=805> (accessed August 2011).

5 "Fact Sheet: Delegation of Immigration Authority Section 287(g) Immigration and Nationality Act", United States Immigration and Customs Enforcement, September 2011 <http://www.ice.gov/news/library/factsheets/287g.htm> (accessed September 2011).

6 Mark Hugo Lopez, Rich Morin and Paul Taylor, "Illegal Immigration Backlash Worries, Divides Latinos," *Pew Hispanic Center*, October 28, 2010 <http://pewhispanic.org/reports/report.php?ReportID=128>.

7 On June 6, 2011, as part of its decision regarding the legality of Arizona's SB 1070, the U.S. Supreme Court threw out a ruling by the 3rd U.S. Circuit Court of Appeals that prevented the city of Hazleton from enforcing its immigration ordinance and ordered a federal appeals court to re-examine the case.

8 See Jones Correa (2004) Rama and Lewis (2005), Espenshade (2007), Rodríguez (2008), Varsanyi (2008), O'Neil (2010), Rama Wong (2010), and Varsanyi (2010).

9 Michael A. Olivas, "Immigration-Related State and Local Ordinances: Preemption, Prejudice, and the Proper Role for Enforcement," *University of Chicago Legal Forum*, 2007, 4.

10 George J. Borjas, *Heaven's Door: Immigration Policy and the American Economy* (Princeton, NJ: Princeton University Press, 2001).

11 Carol Swain, "The Congressional Black Caucus and the Impact of Immigration on African American Unemployment" in Carol Swain ed., *Debating Immigration* (Cambridge: Cambridge University Press, 2007).

12 George J. Borjas, "The New Face of the Low-Wage Workforce," *National Poverty Law Center*, January 2007.

13 "A hard row to hoe," *The Economist*, June 16, 2011.

14 See for example Barry Edmonston and Ronald Lee, eds., *Local Fiscal Effects of Illegal Immigration: Report of Workshop* (Washington, DC: National Research Council, 1996); Steven A. Camarota, *The High Cost of Cheap Labor: Illegal Immigration and the Federal Budget* (Washington, DC: Center for Immigration Studies, 2004); Michael Fix and Jeffrey Passel, *Immigration and Immigrants Setting the Record Straight* (Washington, DC: The Urban Institute, 1994).

15 Huyen Pham and Van H. Pham, "The Economic Impact of Local Immigration Regulation: An Empirical Analysis," *Cardozo Law Review* 32(2) (August 4, 2010).

16 A far larger number considered such ordinances, but we restricted ourselves exclusively to municipalities where these policies were officially implemented.

17 While there are many more *de facto* sanctuary cities not included on this list, this analysis focuses exclusively on cities that passed an official ordinance establishing such policies. In addition to protecting undocumented immigrants through the "don't ask don't tell" policy, many *de jure* or *de facto* sanctuary cities also implement programs to welcome new immigrants and support their integration.

18 One possibility of this lack of statistical significance may be due to potential self-selection issues, which may be corrected by the implementation of matching

techniques using pre-passage information. At the time of the writing of this white paper, comparable data was not available in electronic format to test this hypothesis. Further analysis will be conducted once data issues are resolved.

19 See <http://www.measureofamerica.org> for more information on the American Human Development Project.

20 See "The Measure of America: American Human Development Report 2008–2009" and "The Measure of America 2010–2011: Mapping Risks and Resilience," *Social Science Research Council* <http://www.ssrc.org>.

21 Some of the ordinances presented in this report may have been revoked after our period of analysis.

22 A manifest ordinance content code-recode procedure was implemented to classify ordinances as restrictive or non-restrictive within policy domains.

23 Congress of the United States Congressional Budget Office, "The Impact of Unauthorized Immigrants on the Budgets of State and Local Governments," December 2007 < http://www.cbo.gov/ftpdocs/87xx/doc8711/12-6-Immigration.pdf > (accessed September 2011).

24 Esri extracts its business data from a comprehensive list of businesses from infoUSA, which contains data for over 12 million U.S. businesses, including name, location and number of employees, among other variables. infoUSA collects and maintains its business database by compiling different sources such as directory listings, annual reports, 10K's and SEC information, federal, state and municipal government data, business magazines, newsletters and newspapers, and U.S. Postal Service information. For more information see the 2006–2009 editions of ESRI's *Community Sourcebook America*.

25 Refers to non-family households that may be a group of unrelated persons or a single person living alone.

26 The time-series-cross-sectional nature of the data, that is, information for each city collected at different time periods (2006–2009), can be seen as a non-nested multilevel model. To model the impact of restrictive ordinances on the business environment of a particular city, we fit a varying-city-intercept model to account for potential differences, which takes the following form: log(yit) = 1 + 2x2ij + ...+ nxnij + j ij where j and ij are normally distributed with zero mean and independent of one another, with j independent across cities and ij independent across cities and years. Log(yit) is given by the natural log of our main outcome variables in order to correct the skewed distributions, the number of businesses and number of employees in the log scale in order to normalize their distributions; x2ij is given by the presence of restrictive ordinances, taking the value of 1 and 0 in other cases (i.e., non-restrictive); and xnij is given by our control variables, namely a year indicator, population growth, household growth, median home values, median household income, median household income ranking, and per capita income. These allow us to control for differences between cities due to different external shocks such as the meltdown of the housing market. Given the time invariance of our sample in terms of the adoption of restrictive or non-restrictive policies, we could have not fitted a fixed-effects model nor a varying slopes model. Other alternatives such as a Panel Corrected Standard Error (PCSE) regression produce similar results, however; multilevel models tend to perform as well or better than other common estimators for such data. See Boris Shor, Luke Keele, Joseph Bafumi, and David K. Park, "A Bayesian Multilevel Modeling Approach to Time-Series Cross-Sectional Data," *Political Analysis* 15(2) (2007) 165–181.

27 See Huyen Pham and Van H. Pham, August 4, 2010.

28 See Giovanni Peri, "The Effect of Immigrants on U.S. Employment and Productivity," *FSRB Research Note*, 2010, August 30, 2010.

29 See Giovanni Peri and Chad Sparber, "Task Specialization, Immigration, and Wages." *American Economic Journal*: Applied Economics, 2009, 1(3): 135-69.

30 See Giovanni Peri, "Immigration and Cities", *VOX*, Nov. 20, 2007 <http://www.voxeu.org/index.php?q=node/734> (accessed September 2011).

31 Tamar Jacoby, "A Price Tag in the Billions," *The New York Times*, August 17, 2011 <http://www.nytimes.com/roomfordebate/2011/08/17/could-farms-survive-without-illegal-labor/without-immigrant-labor-the-economy-would-crumble> (accessed September 2011).

32 Gallardo, K., L. Garcia-Bedolla, T. Jacoby, P. Martin, M.J. Roberts, and B. Shute."Could Farms Survive Without Illegal Labor?" *The New York Times*, August 17, 2011 <http://www.nytimes.com/roomfordebate/2011/08/17/could-farms-survive-without-illegal-labor> (accessed September 2011).

Appendix:
Regression Tables

TABLE 1. Multilevel Regression with Varying Intercepts for Log Number of Businesses Given Immigrant-Related Restrictive Ordinances

	(1) log (Busine˜)	(2) log (Busine˜)	(3) log (Busine˜)	(4) log (Busine˜)	(5) log (Busine˜)	(6) log (Busine˜)	(7) log (Busine˜)	(8) log (Busine˜)
Restrictive Ordinance	-1.059 (-1.77)	-1.059 (-1.77)	0.0879 (1.12)	0.0638 (0.60)	0.0721 (0.70)	0.0528 (0.50)	0.0546 (0.52)	0.0500 (0.47)
Year		0.0129*** (4.07)	-0.0176*** (-4.01)	-0.00646 (-1.89)	-0.00597 (-1.60)	-0.00660 (-1.73)	-0.00500 (-0.70)	-0.00395 (-0.55)
log (Employees)			0.840*** (53.46)	0.429*** (10.26)	0.441*** (10.61)	0.442*** (10.67)	0.446*** (10.76)	0.442*** (10.66)
log (Population)				0.459*** (9.59)	0.445*** (9.31)	0.439*** (9.22)	0.436*** (9.18)	0.439*** (9.21)
HH Growth				-0.0283** (-2.68)	-0.0280** (-2.62)	-0.0278** (-2.60)	-0.0274* (-2.56)	-0.0266* (-2.46)
log (Median Home Value)					0.0177 (0.54)	0.0106 (0.31)	0.0131 (0.37)	0.00567 (0.15)
HH Income Ranking						0.00117 (0.71)	0.00209 (0.57)	0.00234 (0.64)
log (Median HH Income)							-0.0857 (-0.28)	-0.201 (-0.58)
log (Income PC)								0.141 (0.69)
Constant	8.155*** (16.00)	8.136*** (15.97)	-0.711*** (-4.00)	-1.501*** (-5.52)	-1.689*** (-3.77)	-1.608*** (-3.48)	-0.766 (-0.25)	-0.863 (-0.29)
lns1_1_1 Constant	0.608*** (5.96)	0.608*** (5.96)	-1.465*** (-13.01)	-1.165*** (-6.63)	-1.192*** (-6.41)	-1.202*** (-6.55)	-1.213*** (-6.40)	-1.205*** (-6.37)
lnsig_e Constant	-2.958*** (-50.19)	-3.012*** (-51.12)	-2.700*** (-44.60)	-3.008*** (-39.86)	-3.000*** (-38.41)	-2.999*** (-38.73)	-2.996*** (-37.92)	-3.000*** (-38.01)
Observations	192	192	192	192	192	192	192	192

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

TABLE 2. Multilevel Regression with Varying Intercepts for Log Number of Employees Given Immigrant-Related Restrictive Ordinances

	(1) log (Employ˜)	(2) log (Employ˜)	(3) log (Employ˜)	(4) log (Employ˜)	(5) log (Employ˜)	(6) log (Employ˜)	(7) log (Employ˜)	(8) log (Employ˜)
Restrictive Ordinance	-1.365* (-2.00)	-1.365* (-2.00)	-0.182* (-2.10)	-0.162 (-1.79)	-0.182* (-2.00)	-0.182 (-1.89)	-0.181 (-1.88)	-0.179 (-1.85)
Year		0.0363*** (7.52)	0.0219*** (4.31)	0.0216*** (4.31)	0.0191*** (3.56)	0.0191*** (3.43)	0.0200* (2.19)	0.0196* (2.12)
log (Businesses)			1.117*** (55.68)	1.022*** (17.21)	1.028*** (17.50)	1.028*** (17.44)	1.026*** (17.44)	1.027*** (17.28)
log (Population)				0.0959 (1.70)	0.0978 (1.75)	0.0978 (1.75)	0.0991 (1.76)	0.0993 (1.77)
HH Growth				-0.0193 (-1.33)	-0.0155 (-1.06	-0.0156 (-1.05)	-0.0157 (-1.06)	-0.0166 (-1.10)
log (Median Home Value)					-0.0547 (-1.27)	-0.0550 (-1.13)	-0.0536 (-1.08)	-0.0502 (-0.99)
HH Income Ranking						0.0000191 (0.01)	0.000523 (0.12)	0.000448 (0.10)
log (Median HH Income)							-0.0460 (-0.12)	0.0121 (0.03)
log (Income PC)								-0.0797 (-0.34)
Constant	10.59*** (18.20)	10.53*** (18.11)	1.442*** (8.08)	1.158*** (4.52)	1.767** (3.28)	1.770** (3.00)	2.217 (0.61)	2.351 (0.64)
lns1_1_1 Constant	0.740*** (7.25)	0.740*** (7.25)	-1.365*** (-12.90)	-1.326*** (-11.41)	-1.341*** (-11.48)	-1.340*** (-11.47)	-1.338*** (-11.30)	-1.338*** (-11.30)
lnsig_e Constant	-2.427*** (-41.19)	-2.593*** (-44.00)	-2.545*** (-43.02)	-2.570*** (-41.95)	-2.570*** (-41.90)	-2.570*** (-41.89)	-2.571*** (-41.68)	-2.571*** (-41.69)
Observations	192	192	192	192	192	192	192	192

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

TABLE 3. Multilevel Regression with Varying Intercepts for Log Number of Businesses Given Type of Immigrant-Related Restrictive Ordinances Using Non-Restrictive Ordinances as Baseline

	(1) log (Busine~)	(2) log (Busine~)	(3) log (Busine~)	(4) log (Busine~)	(5) log (Busine~)	(6) log (Busine~)	(7) log (Busine~)	(8) log (Busine~)
2. Employment	-1.334* (-2.26)	-1.334* (-2.26)	0.161 (1.92)	0.0932 (0.80)	0.103 (0.91)	0.0934 (0.83)	0.0971 (0.88)	0.0909 (0.81)
3. Housing	-2.043 (-1.62)	-2.043 (-1.62)	0.123 (0.71)	0.120 (0.50)	0.126 (0.54)	0.125 (0.55)	0.128 (0.57)	0.117 (0.52)
4. English	-2.158* (-2.48)	-2.158* (-2.48)	0.0377 (0.31)	-0.114 (-0.67)	-0.0974 (-0.58)	-0.0943 (-0.58)	-0.0935 (-0.58)	-0.100 (-0.62)
5. 287(g)	0.561 (0.75)	0.561 (0.75)	-0.000905 (-0.01)	0.0740 (0.53)	0.0749 (0.55)	0.0355 (0.25)	0.0381 (0.27)	0.0388 (0.27)
Year		0.0129*** (4.07)	-0.0180*** (-4.07)	-0.00651 (-1.90)	-0.00612 (-1.64)	-0.00692 (-1.80)	-0.00450 (-0.63)	-0.00351 (-0.48)
log (Employees)			0.852*** (51.01)	0.431*** (10.18)	0.443*** (10.52)	0.453*** (10.85)	0.460*** (11.04)	0.453*** (10.84)
log (Population)				0.454*** (9.59)	0.440*** (9.32)	0.429*** (9.16)	0.422*** (9.08)	0.427*** (9.14)
HH Growth				-0.0283** (-2.68)	-0.0279** (-2.60)	-0.0268* (-2.50)	-0.0262* (-2.43)	-0.0257* (-2.36)
log (Median Home Value)					0.0159 (0.48)	0.00981 (0.28)	0.0137 (0.38)	0.00684 (0.19)
HH Income Ranking						0.00112 (0.66)	0.00254 (0.70)	0.00271 (0.74
log (Median HH Income)							-0.132 (-0.43)	-0.234 (-0.68)
log (Income PC)								0.130 (0.64)
Constant	8.155*** (17.76)	8.136*** (17.72)	-0.835*** (-4.48)	-1.464*** (-5.12)	-1.639*** (-3.56)	-1.592*** (-3.42)	-0.299 (-0.10)	-0.415 (-0.14)
lns1_1_1 Constant	0.504*** (4.94)	0.504*** (4.94)	-1.526*** (-13.35)	-1.189*** (-6.45)	-1.215*** (-6.14)	-1.240*** (-6.03)	-1.262*** (-5.85)	-1.248*** (-5.83)
lnsig_e Constant	-2.958*** (-50.19)	-3.012*** (-51.12)	-2.690*** (-44.26)	-3.007*** (-38.75)	-2.999*** (-36.93)	-2.992*** (-35.96)	-2.986*** (-34.75)	-2.992*** (-35.00)
Observations	192	192	192	192	192	192	192	192

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

TABLE 4. Multilevel Regression with Varying Intercepts for Log Number of Employees Given Type of Immigrant-Related Restrictive Ordinances Using Non-Restrictive Ordinances as Baseline

	(1) log (Employ˜)	(2) log (Employ˜)	(3) log (Employ˜)	(4) log (Employ˜)	(5) log (Employ˜)	(6) log (Employ˜)	(7) log (Employ˜)	(8) log (Employ˜)
2. Employment	-1.755** (-2.66)	-1.755** (-2.66)	-0.294*** (-3.30)	-0.272** (-3.00)	-0.292** (-3.24)	-0.265** (-2.90)	-0.264** (-2.87)	-0.262** (-2.84)
3. Housing	-2.543 (-1.81)	-2.543 (-1.81)	-0.305 (-1.65)	-0.299 (-1.59)	-0.304 (-1.65)	-0.294 (-1.62)	-0.294 (-1.61)	-0.291 (-1.59)
4. English	-2.578** (-2.64)	-2.578** (-2.64)	-0.214 (-1.61)	-0.225 (-1.68)	-0.257 (-1.92)	-0.239 (-1.81)	-0.244 (-1.83)	-0.243 (-1.83)
5. 287 (g)	0.660 (0.79)	0.660 (0.79)	0.0452 (0.42)	0.0843 (0.76)	0.0656 (0.60)	0.129 (1.06)	0.135 (1.10)	0.135 (1.10)
Year		0.0363*** (7.52)	0.0221*** (4.39)	0.0214*** (4.26)	0.0187*** (3.51)	0.0205*** (3.67)	0.0229** (2.58)	0.0227* (2.53)
log (Businesses)			1.095*** (53.48)	1.027*** (18.56)	1.032*** (18.94)	1.038*** (19.34)	1.034*** (18.95)	1.034*** (18.95)
log (Population)				0.0678 (1.31)	0.0702 (1.38)	0.0663 (1.32)	0.0696 (1.37)	0.0699 (1.38)
HH Growth				-0.0248 (-1.73)	-0.0209 (-1.44)	-0.0201 (-1.39)	-0.0208 (-1.42)	-0.0213 (-1.44)
log (Median Home Value)					-0.0586 (-1.42)	-0.0306 (-0.64)	-0.0267 (-0.54)	-0.0249 (-0.50)
HH Income Ranking						-0.00188 (-1.14)	-0.000570 (-0.14)	-0.000592 (-0.15)
log (Median HH Income)							-0.122 (-0.35)	-0.0884 (-0.23)
log (Income PC)								-0.0482 (-0.22)
Constant	10.59*** (20.58)	10.53*** (20.47)	1.620*** (9.03)	1.436*** (5.96)	2.090*** (4.07)	1.824** (3.24)	3.011 (0.88)	3.110 (0.90)
lns1_1_1 Constant	0.617*** (6.05)	0.618*** (6.05)	-1.450*** (-13.65)	-1.441*** (-12.38)	-1.460*** (-12.50)	-1.479*** (-12.73)	-1.474*** (-12.57)	-1.474*** (-12.56)
lnsig_e Constant	-2.427*** (-41.19)	-2.593*** (-44.00)	-2.551*** (-43.11)	-2.567*** (-41.96)	-2.568*** (-41.95)	-2.566*** (-42.03)	-2.568*** (-41.90)	-2.568*** (-41.90)
Observations	192	192	192	192	192	192	192	192

t statistics in parentheses
* p<0.05, ** p<0.01, *** p<0.001

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